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what you should know about long-lease campsites

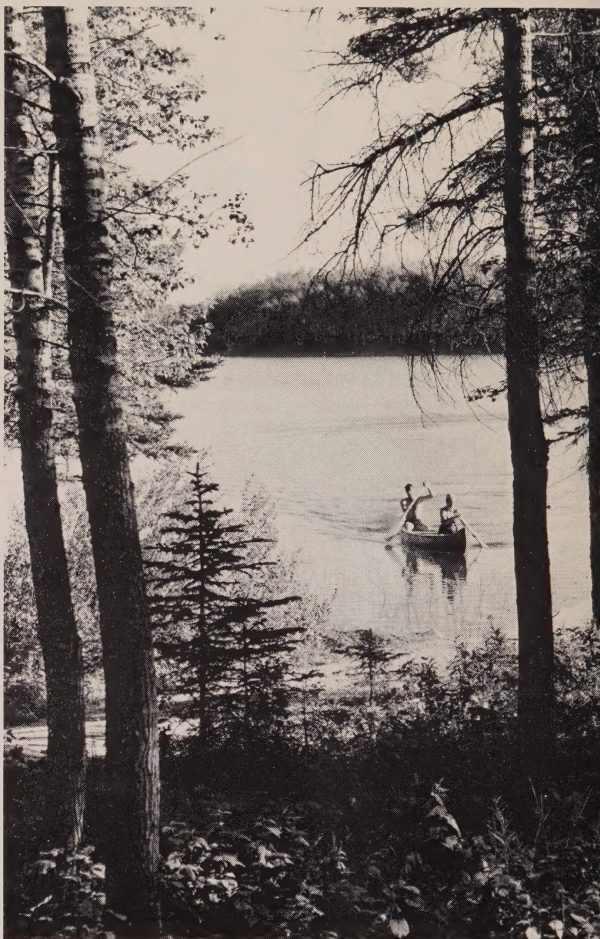
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Long-lease campsites: what you should know.

To the city dweller a “place in the country” represents the dream of a lifetime. Some see the dream as a cottage tucked away on some quiet lake, with a little fishing, a little swimming, and the chance to get away from the noise and pressure of the city. Others will find wilderness hiking their way to escape the city, and the growing popularity of camping in the last ten years has seen thousands of people take to the roads in house trailers, motor homes, tent trailers, and automobiles whose trunks and car-top carriers are



stuffed with equipment. The end result is usually the same: the search for a place in the country.

The dream of a cottage by some quiet lake is now beyond the reach of most Ontario city-dwellers. The soaring cost of land within easy reach of our major cities has combined with high building costs and mortgage rates to make the lakeside cottage only possible for the most affluent.

The popularity of camping has meant increasing pressure on private and public campgrounds. On all the traditional public holiday weekends, campsites become filled by early afternoon, and in many cases people line up for hours before the

site is even open. In the search for that elusive place in the country, many people are deciding that a long-lease campsite might be just the thing they've been looking for. Here they can come and go as they please. No reservations are required. The price never changes. They can leave their trailer, truck camper or motor home on the site and lessen their travelling costs by avoiding the expense of hauling a heavy trailer or driving a motor home. They can lend the site to friends or their family, and they can gain extra revenue by sub-leasing the site if they wish. Long-lease campsites are a relatively new development, created in response to a public need.

Before you sign for a long-lease campsite read this material and check into the background of the site and its owners, then make your decision. Be an *informed* consumer. Know the laws and how they protect you.

What is a long-lease campsite?

Long-lease campsites are usually situated away from heavily built-up urban areas where land is relatively economical. A developer will often purchase a hundred acres or more, usually near a lake or river for maximum outdoor recreational activities. After filing a site plan with the local Medical Officer of Health and obtaining the necessary permits, the site is then laid out with access roads, toilets, washrooms, central clubhouse and other amenities installed. Electrical power is made available and some landscaping carried out.

The extent of the facilities available will depend on the developer, the site, the number of people leasing sites and the prices charged for those sites.

The length of the lease is usually twenty years, with the full amount being due upon signing the

contract or lease. Financing is usually the responsibility of the lessee. There is usually a clause allowing you to sub-lease or transfer your lease to someone else if you decide you no longer wish to use the site, or want to get back your investment.

You do not *own* the land. You cannot *sell* it. In effect, a long-lease campsite is a rental agreement over a long term with the rent *paid in advance*. The relationship is basically that of landlord and tenant, with a longer lease period.

Financing:

Before signing any lease you should consult a lawyer. Your lawyer will go over the terms of the lease and ensure that the financial requirements are clearly understood. You will be required to pay *in advance* the full amount owing for the term of your lease. This is a substantial sum to invest and you should recognize what it will cost to borrow such large sums. Below are two examples based on current interest rates:

\$5,000 at 18%—monthly payments:

5 yrs	6 yrs	7 yrs	8 yrs	9 yrs	10 yrs
\$125.54	\$112.24	\$103.23	\$96.69	\$91.80	\$88.05

\$8,000 at 18%—monthly payments:

5 yrs	6 yrs	7 yrs	8 yrs	9 yrs	10 yrs
\$200.38	\$179.58	\$165.16	\$154.70	\$146.87	\$140.87

The cost of borrowing \$5,000 at 18% over a five-year period will be \$2,532.40, making your site a \$7,532.40 lease. The cost of borrowing \$8,000 at 18% over a five-year period will be \$4,022.80, making your site a \$12,022.80 lease.

Apart from the full payment of the lease in advance, there is usually a monthly maintenance or service fee to keep the grounds in order and to provide for repairs and replacements. Ask specifically how much this is.

The vague description “a small monthly fee” is not good enough. Ask also if this fee can be increased, and how such an increase is decided upon: by the lessor when he chooses, or by some co-operative system between the lessor and the lessees. The fee is often \$15.00 per month

payable *in advance* each year. With a twenty-year lease this figure could increase due to inflation and other factors.

By retaining a lawyer you can get clarification on these and other legal points in the contract. If they are not in the contract you should instruct your lawyer to add them before you sign.

Legal:

Because you are *leasing* the site and not purchasing it outright, it is vital you consult a lawyer before signing anything. Don't be persuaded that your signature is "only a formality" and doesn't bind you to anything. At the least you could lose your deposit and it's possible you could be sued for breach of contract if you fail to pay the amount in full by the specified date.

Remember, under The Ontario Business Practices Act you may rescind a contract only if you can prove false, misleading or deceptive representations.

The ownership of a parcel of land from which your site will be leased rests with an individual or a corporation. You have no legal right to determine what will be done with that land beyond the terms of your lease. The owners may be registered under titles such as the XYZ 21675 Ontario Limited, and simply unavailable in the event of major breakdowns, loss of water, blockage of sewage disposal and other problems.

Make sure your lease contract allows for ongoing management of the site, and that such management is responsible for the provision of services needed for you to enjoy the site. As with an apartment, an absentee landlord is hard to find when trouble strikes.

As you do not own any portion of the land the registered owners may be able to mortgage and re-mortgage the property without your knowledge. The danger here is that heavily mortgaged property requires heavy re-payment schedules, and if your registered owner is incompetent or dishonest he could find himself bankrupt. In this event the holder of the first mortgage could re-possess and you may lose your site and all the money you have paid in advance.

Examine your lease very carefully and have your lawyer insist there is a clause permitting you to sub-lease or transfer your lease to another buyer if you wish, without payment or charge or any kind.

The facilities provided by the long-lease campsite owners will help you make up your mind about signing any lease. Depending on your family's needs the recreational services offered on any site could make or break your weekends and holidays.

Make sure the site is accessible throughout the year if you intend to use it for winter sports. If the brochure or the salesman claims year-round use ask about the availability of water, sewage disposal and other services. To install water lines for winter use requires special installation, and some campsites will install for summer use only. During the winter months they drain the pipes except for one central location designed for winter use.

If you visit the site before it is fully serviced, be sure the *proposed* club-house and swimming pool will be built. Don't accept verbal assurances and vague plans for "future development". If in doubt, check with the local Medical Officer of Health and ask to see the registered plan under which the original permit was issued. The Medical Officer of Health is responsible for inspecting all food distribution centres, waste disposal sites, wash-room facilities, water outlets, bathing and swimming areas.

The safety of your children is important. If there is to be a swimming area, will a lifeguard be on duty during normal hours? Ask about emergency medical aid, and be sure to find out the distance to the nearest hospital.

You and your neighbors:

When you visit a newly laid-out site try to imagine how it will look when it's fully occupied, then ask yourself what kind of neighbors you want and what kind of neighbor you will be. You will probably be sharing facilities with different types of people. If you're looking for the peace and quiet of the wilderness you might not find it in a three-hundred site long-lease camping area. If you have a normal active young family you might want to find out if the facilities are suitable for children. If you no longer have young children you may wish to find a site that caters to older people.

Shopping facilities:

Before you sign any lease you should investigate the location of the nearest town or city. How far is it to the type of store you may need? Will there be a store actually on the site and what will it sell?

Personal services:

You should inquire about fire and police protection services, and the availability of site patrols during your absence. You may want to watch your favourite television programmes while using your site — how is the local reception? Increasingly, families want to "rough it" in some degree of comfort — how much will depend on your lifestyle. All of these private needs will help determine your decision to sign for a long-lease campsite. Research, plan and take your time. Don't let your dream turn sour through hasty action.

Be an informed consumer

The consumer ministry has published a number of other booklets covering a range of consumer topics, such as:

- ☐ Protecting your travel dollar
- ☐ Refunds and exchanges
- ☐ The facts about credit and you
- ☐ The Consumer Protection Act
- ☐ The Business Practices Act
- ☐ Propane barbecue equipment
- ☐ Gasoline containers
- ☐ Buying a car
- ☐ Hints for homeowners; insulation; paving; siding
- ☐ Real estate and mortgages
- ☐ Insurance: you can't drive without it
- ☐ Consumer tips for senior citizens
- ☐ The nuts and bolts of car repair
- ☐ Complete list of ministry publications

Copies of these publications may be picked up in person at the Consumer Information Centre, 555 Yonge St., Toronto (telephone collect at 416-963-1111), or from consumer services bureaus in Hamilton, London, Ottawa, Peterborough, Sudbury, Thunder Bay and Windsor.

For direct mail requests, please check (✓) the above publications of interest, complete the following form, and mail to:

Consumer Information Centre
Ontario Ministry of Consumer and
Commercial Relations
555 Yonge Street
Toronto, Ontario M7A 2H6

Name: _____

Address: _____
(street & no.) (apt.)

(city)

(prov.)

(postal code)

We'd like to hear from you.

The consumer ministry welcomes any comments and suggestions on its information materials, programs and customer services. In this way we can best respond to your needs in the marketplace.

Notes:

Consumer Service Bureaus:

250 Windsor Avenue, 6th Floor
Windsor, Ontario
N9A 6V9
(519) 254-6413

143 Main Street East, Room 206
Hamilton, Ontario
L8N 1G4
(416) 529-8177

139 George Street North
Peterborough, Ontario
K9J 3G6
(705) 743-8728

295 Bond Street
Sudbury, Ontario
P3B 2J8
(705) 675-8878

P.O. Box 5000
435 James Street South
Thunder Bay, Ontario
P7C 5G6
(807) 475-1641

Box 5600, Terminal 'A'
80 Dundas Street East
London, Ontario
N6A 2P3
(519) 679-7150

555 Yonge Street
Toronto, Ontario
M7A 2H6
(416) 963-0321

1673 Carling Avenue, Suite 102
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(613) 725-3679



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